

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF PUBLIC UTILITIES**

Investigation by the Department of Public Utilities on Its Own Motion into Gas and Electric Delivery Charges and Bill Redesign)
)
) **D.P.U. 25-200**

COMMENTS OF THE NATIONAL CONSUMER LAW CENTER

The National Consumer Law Center (NCLC) offers the following comments in docket D.P.U. 25-200, which was opened on December 15, 2025.¹ NCLC is a 501(c)(3) non-profit that works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.

We appreciate the Department’s focus on energy affordability, in this docket and others including D.P.U. 24-15. Home energy costs are increasing in many areas of the country, including Massachusetts.² For low-income families, higher energy costs can result in harmful consequences such as utility disconnections, forgoing other household necessities, or keeping the home at an unsafe temperature.³

We strongly advocate for policies and protections to ensure uninterrupted, affordable access to essential utility service. We believe that involuntary disconnection of electric or gas service due to nonpayment should never be the preferred or default collections tool of utility companies. In formulating policies, regulators such as the Department should bear in mind the legacy of systemic discrimination and racism, which results in disproportionate numbers of Black and Hispanic households suffering involuntary disconnection of utility service.⁴

¹ D.P.U. 25-200, *Vote and Order Opening Inquiry* (Dec. 15, 2025).

² E.g., Lawrence Berkeley National Laboratory, *Retail Electricity Price Trends and Drivers: Data Update—2026 Edition* (March 2026), available at <https://emp.lbl.gov/publications/retail-electricity-price-trends-and>.

³ NCLC, *Energy Insecurity on the Rise: Preliminary Findings from the 2024 Residential Energy Consumption Survey* (March 25, 2026), <https://www.nclc.org/resources/energy-insecurity-on-the-rise-preliminary-findings-from-the-2024-residential-energy-consumption-survey/>.

⁴ See, e.g., “Direct Testimony of John Howat on behalf of the Massachusetts Energy Directors Association”, Revised Exh. MEDA-1, p. 44 (filed in DPU 23-150, March 29, 2024) (“...among the 20 zip codes [in the National Grid territory] with the highest disconnections ratio, 9 were among the top 20 zip codes with the highest non-white population percentages.”). Mr. Howat has done analysis in some jurisdictions showing a stronger correlation

NCLC appreciates the extensive reach of the Department’s investigation in this docket. We offer comments on the following questions, although we note that other questions in this docket impact energy affordability for low-income consumers.

2. Which reconciling charges should be recovered through fixed charges in lieu of volumetric rates and why?

NCLC urges the Department to keep the current structure of volumetric charging, and not to increase fixed charges for Massachusetts ratepayers.

Our concerns about the impacts of fixed charges on energy customers preceded this docket.⁵ In general, our main concerns are:

- Increased fixed charges would shift utility costs onto low-use electricity and gas customers;
- Fixed charges reduce the incentive to conserve energy; and
- Fixed charges reduce the incentive and motivation to install energy efficiency measures.

We share the concerns of the Low-Income Energy Affordability Network (LEAN), which raised similar matters at the April 3 Technical Session.⁶

These issues are similar to concerns raised by the Joint Clean Energy Parties in their presentation at the Technical Session in this docket on April 3, 2026 (e.g., increased fixed charges would increase bills for low- and moderate-income customers, would reduce customer

between race and terminations than income and terminations. *See, also*, Congressional Research Service, Electric Utility Disconnections (Jan. 31, 2023), p. 11 (For the period May, 2020 to May, 2021, 3.2% of white households experienced disconnection for non-payment, compared to 9.7% for Black households and 12.9% for Hispanic households), available at [https://crsreports.congress.gov/product/pdf/R/R47417#:~:text=These%20researchers%20estimated%20that%20betweeen.of%20respondents%20\(Figure%204\)](https://crsreports.congress.gov/product/pdf/R/R47417#:~:text=These%20researchers%20estimated%20that%20betweeen.of%20respondents%20(Figure%204);); Steve Cicala, *The incidence of extreme economic stress: Evidence from utility disconnections*, *Journal of Public Economics* 200 (2021), available at <https://www.stevcecicala.com/papers/disconnections/disconnections.pdf>.

⁵ Wood, Lisa, Ross Hemphill, John Howat, Ralph Cavanagh, Severin Borenstein, Jeff Deason, Lisa C Schwartz, *Recovery of Utility Fixed Costs: Utility, Consumer, Environmental and Economist Perspectives*. Future Electric Utility Regulation Report Series FEUR Report No. 5 (2016) (*see*, “A Consumer Advocate’s Perspective on Electric Utility Rate Design Options for Recovering Fixed Costs in an Environment of Flat or Declining Demand,” at page 19).

⁶ Low-Income Energy Affordability Network, *Fixed Charges*, LEAN Presentation in DPU 25-200 Technical Session (April 3, 2026).

incentive to conserve, and would reduce customer control over their bills).⁷ We note that energy efficiency remains a premium energy resource and recommend that the Department resist adoption of policies and rate designs that would undermine its viability.

3. Volumetric pricing creates strong incentives for conservation and energy efficiency; however, volumetric pricing of electricity tends to discourage the electrification of heating and transportation. Please comment on the merits of fixed charges in lieu of volumetric charges to incentivize electrification, including the range of impacts that customers would experience, and in particular, how fixed charges increase bill impacts for low-use customers.

As stated above, NCLC opposes shifting utility recovery of public purpose program costs from volumetric to fixed charges. Fixed charges are too blunt of a tool to encourage electrification. Rather, the Department should continue to analyze the success of the newly developed heat pump rates approved in D.P.U. 25-55. Where the heat pump rates need further refinement, the Department, the Companies and stakeholders should continue to improve them based on data from users. Heat pump rates, in addition to low-income discount rates for eligible customers, appear better suited to address the varying needs of electric customers.

We note that the presentation by Dr. Courtney Henderson at the Technical Session in this docket highlighted consumer concerns about increased fixed charges. As Dr. Henderson's research showed, consumers' reactions to fixed charges, particularly the higher fixed charges, were generally negative. Consumers felt that such charges were unfair. Additionally, consumers reported that higher fixed charges would reduce or eliminate their motivation to conserve energy.⁸

⁷ Joint Clean Energy Parties, [slide presentation](#) in D.P.U. 25-200 Technical Conference (April 3, 2026).

⁸ Dr. Courtney Henderson, [DPU 25-200: Customer Insights](#), Prepared On Behalf of the Massachusetts Attorney General's Office (April 3, 2026).

4. If fixed charges replace volumetric pricing, what other policies are necessary and appropriate to continue to incentivize conservation and energy efficiency or to mitigate bill increases for low-use customers?

While the funding levels of the utility energy efficiency programs is a matter currently before the General Court rather than the Department, we oppose cuts to the Mass Save program. As indicated above, energy efficiency should continue to play a key role in limiting supply resource costs. With respect to mitigating fixed charge-related bill increases for low-use customers, NCLC recommends that the Department direct Companies delivering tiered discount rates now or in the future to periodically—perhaps quarterly but no less frequently than annually—adjust percentage discounts for each tier to retain the target burden levels reflected in initial approval of the rates.

5. Please comment on the merits of shifting current volumetric reconciling charges into base distribution rates. As part of these comments, please discuss the equity implications of reducing volumetric reconciling charges in favor of base distribution rates or fixed charges.

Please see responses to questions 2-4, above.

7. What other legislative or regulatory changes, if any, are necessary to ensure that gas and electric rates are affordable and aligned with the Commonwealth's energy policies?

Please see issues discussed in D.P.U. 24-15.

11. What other policies should the Department evaluate to reduce bill volatility?

Volatility in supply costs, while outside of the immediate scope established by the Department, has a significant impact on customer bills. To the extent of its authority, the

Department should continue to investigate pricing issues related to supply. In particular, we commend the Department for its work to curb abusive and deceptive practices in the competitive supply market, and urge the Department to continue this important work. We also urge the Department to work with the legislature to address overcharges for retail premiums in the wholesale market,⁹ and to establish either a more regulated procurement process or a more protective reconciling mechanism to recover overcharges to customers.

We also urge the Department to work with stakeholders to develop comprehensive and consolidated data reporting on affordability issues. Currently, the Companies report on utility affordability data through several different avenues, including regular reporting in D.P.U. 20-58, supplemental reporting ordered in D.P.U. 18-150, and reporting through AMP Best Practices Working Group and AMP dockets. The AMP Best Practices Working Group is currently discussing ideas for streamlining some data reporting. We suggest the Department consider a model such as the Illinois Commerce Commission Credit, Collections, and Arrearages Reports Monthly Dashboard.¹⁰

Conclusion

NCLC appreciates the opportunity to offer these comments, and looks forward to further proceedings in this docket.

Respectfully submitted,

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⁹ See Synapse Energy Economics, *Overcharged - Suppliers' Retail Premiums are Inflating Massachusetts Electric Bills* (January 2026), available at <https://www.synapse-energy.com/overcharged-suppliers-retail-premiums-are-inflating-massachusetts-electric-bills>.

¹⁰ Illinois Commerce Commission, *Credit, Collections, and Arrearages Reports Monthly Dashboard*, available at <https://www.icc.illinois.gov/industry-reports/credit-collections-and-arrearages-reports/monthly-dashboard>.

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